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General Is Acquitted in Embezzlement Case

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WEST PALM BEACH, Fla., July 16 — A retired two-star Air Force general was acquitted today of Federal charges that he embezzled money from a Swiss bank account that he administered for the Air Force to finance spy missions in the 1970's.

"In a bombing raid you can lose your life," the defendant, Maj. Gen. Richard B. Collins, a highly decorated fighter pilot who flew 104 combat missions in Vietnam, said after the jury returned its verdict. "All you can lose in this courtroom is your reputation."

the prosecutor, Barbara Nicastro of the Justice Department's fraud section, said, "When you're a prosecutor you have to be careful not to judge someone as a possible defendant by what his title is or isn't, how much they stole or how little."

Jurors, who deliberated two hours and 15 minutes, said they thought the Government had failed to show that General Collins had misused money withdrawn from the account. They also said the general had made a convincing witness.

Money for Covert Activities

General Collins was indicted in January 1983 on six counts of embezzling \$19,000 in interest from the secret bank

account.

The 55-year-old general, who served in the Pentagon and in Western Europe as deputy director of plans and policy from 1974 until his retirement in 1978, said all the money in the account had been used to finance covert activities by the Central Intelligence Agency.

Steven Bronis, a defense attorney, said in his closing arguments that the Government had not proved that General Collins had made unauthorized withdrawals from the spy account and told the jurors, "The Government is trying to steal his honor and they are trying to make you their accomplices."

Government lawyers said in their closing arguments that their case was based almost entirely on circumstantial evidence and could not prove exactly where the \$19,000 was spent.

'Hand in the Cookie Jar'

Morris Silverstein, a prosecutor, told the jurors, "You didn't see him put his hand in the cookie jar and take that cookie, but that's exactly what he did."

Aside from the criminal charges, the case raised the question of whether a man described as the Air Force's top spy in Europe could receive a fair trial without disclosing classified information.

Government attorneys frequently

clashed with the defense in an effort to preserve secrets involving national security, and Federal District Court Judge James C. Paine consistently refused to allow the general to discuss issues the Government regarded as sensitive.

Some secrets did come out in court, however.

Jurors learned that an Air Force officer, traveling in civilian clothes with \$300,000 in cash hidden in pouches, set up the Swiss account in 1965 to finance an agreement between the Air Force and Lockheed Aircraft Corporation, a large defense supplier.

Bases for Surveillance Flights

Lockheed agreed to offer bribes to foreign officials in exchange for permission to use their countries as bases for surveillance flights over unfriendly Asian countries.

Throughout its existence, the account was never audited and withdrawals were never accounted for. At its peak in 1971 the account reached \$1,295,807.

General Collins suggested that the account be dissolved when he learned about it in 1974, according to defense attorneys. The general suggested that Gen. George S. Brown of the Air Force, then Chairman of the Joint Chiefs of Staff, ordered him to keep it open for future uses.

According to the Government, however, General Collins spent the money in interest-bearing funds that earned more than \$56,000 in interest from 1975 to 1978 and used the interest to enrich himself.